



APPROPRIATIONS COMMITTEE

February 21, 2017

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 96% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

HB 7027 “An Act Concerning the State Budget for the Biennium Ending June Thirtieth 2019, and Making Appropriations Therefor”

My name is Susan Bransfield, First Selectman of Portland and CCM Board President.

CCM recognizes the severe conditions of the state's finances. Persistent budget deficits over the last few years have resulted in a reduction of state funding and services. Local governments have not been immune from this reality and we continue to make difficult decisions to address budget shortfalls, often due to the reduction of state aid.

Two proposals in particular contained in the Governor's budget proposal, municipal contributions to the Teachers' Retirement Fund and the changes to the Education Cost Sharing (ECS) formula, cause concern.

Governor Malloy's proposed changes to the Teachers' Retirement System would require towns to contribute almost \$1 billion over two years; that is tantamount to a \$1 billion bill to property taxpayers across Connecticut. This cost shift is untenable and will have dire consequences on local budgets.

The Governor's proposed changes to the ECS formula would, in essence, create a system of picking winners and losers. Our belief, which has been further verified by the CCJEF case, is that it is the state's responsibility to educate every child in Connecticut and this proposal goes in the opposite direction. While we recognize that not every town will be funded at the same level, we ask that you remember that every school district has needs.

While we do not support these proposals, CCM welcomes the dialogue the Governor's initiatives have produced. These proposals only reinforce the urgency to address the structural changes needed to give municipalities new tools in the toolbox for revenue diversification, shared services and cost containment to keep in line with the overwhelming number of other states.

CCM's responsibility is to advocate for our towns and cities and protect their interests, which is why we commissioned our report, **"This Report is Different - Securing the Future: Service Sharing and Revenue Diversification for Connecticut Municipalities."** We realized that we cannot keep doing the same things and expect a different result.

This report highlights a new way forward for the state and its relationship with its municipalities. It stresses the need to change the paradigm in order to help towns and cities become more self-reliant and to chart a sustainable path to future growth and prosperity.

The CCM panel has identified long-needed opportunities for revenue diversification to help relieve the burden on property taxpayers. Communities must be given the flexibility to use alternative revenue sources to meet pressing financial needs and/or grant property tax relief. They need policy changes that would result in greater revenue flexibility at the local level and generally less reliance on state aid. Also, removing the impediments to sharing services and amending municipal labor laws will go a long way towards realizing our goals.

Increasing our ability to govern and control our own destinies is paramount to our ultimate success and that of the state as well. We want to be partners to the long-term solutions the Governor and the Legislature envisions. Help us get there by creating a new way forward.

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If you have any questions, please contact Joe Delong (jdelong@ccm-ct.org), Brian O'Connor (boconnor@ccm-ct.org), George Rafael (grafael@ccm-ct.org) or Mike Muszynski (mmuszynski@ccm-ct.org) of CCM (203) 498 – 3000.